



# COMMISSION NEWS

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ARIZONA CORPORATION COMMISSION, 1200 W. WASHINGTON, PHOENIX, AZ 85007

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TO: EDITORS, NEWS DIRECTORS  
FOR: IMMEDIATE RELEASE

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## **PENALTIES ORDERED AGAINST TWO FORMER GLENDALE SECURITIES SALESMEN**

PHOENIX — The Arizona Corporation Commission ordered William E. Bergh, currently a resident of Peoria, and Thomas O. Tabat of Glendale to stop selling unregistered securities.

According to the Commission Order, Mr. Bergh and Mr. Tabat, together doing business as National Financial Group in Phoenix, are barred from selling unregistered securities. Additionally, their registrations to sell securities are revoked and they must pay penalties. Mr. Bergh and Mr. Tabat agreed not to apply for registration as securities salesmen or licensing as investment advisers in Arizona at any time in the future.

The Order states that, from September 1998 through October 1999, including a period of time that both were employed as securities salesmen by Legacy Financial Services, Inc., Bergh and Tabat sold unregistered investment contracts without reporting the sales to their dealers. The investments offered monthly profits from the purchase of pay telephones from BEE Communications, Inc. together with lease-back arrangements with ETS Payphones, Inc.; membership interests in Hotel Connect, LLC for the operation of hotel long distance and telephone operator services; and the purchase of cash ticket machines from World Cash Providers, LLC, together with service agreements from World Cash Providers, Inc. Bergh was ordered to pay \$20,000 in penalties, and Tabat was ordered to pay \$5,000 in penalties.

The State of California recently ordered World Cash Providers and Hotel Connect, both based at the same

address in Fresno, California, to cease and desist from the sale of unregistered securities.

In taking this action, Corporation Commission Chairman Carl Kunasek said “We will continue to strictly enforce the registration provisions of the Securities Act to protect investors’ rights to full disclosure under the securities laws.” “This is a classic example of ‘selling away’ or the unauthorized sale of products that haven’t been approved for sale by the securities dealer. This behavior will not be tolerated in Arizona,” stated Commissioner Jim Irvin. Commissioner Bill Mundell observed: “All investors must be protected from salespeople who profit from the illegal sale of securities products.” Mark Sendrow, director of the Commission’s Securities Division warned: “Not every Arizona investor realizes that sale and lease-back schemes can often be securities.”

Sendrow urged investors to investigate before they invest and to contact the Arizona Securities Division at (602) 542-4242, or visit the Division web site at [www.ccsd.cc.state.az.us](http://www.ccsd.cc.state.az.us) for more information.

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